

CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusions

From the results of hypothesis and multiple regressions testing can be obtained conclusions about the effect of Regional Tax and Regional Retribution on the Regional Financial Independence. Partially Regional Tax has significant effect on the Regional Financial Independence; meanwhile Regional Retribution has no significant effect on the Regional Financial Independence. Simultaneously both Regional Tax and Regional Retribution have a significant effect on the Regional Financial Independence. And the number R square or coefficient of determination is 0.405. This means 40.5% variation or change in the level of Regional Financial Independence can be explained by variations or changes from the Regional Tax and Regional Retribution, while the remaining 59.5 % is explained by the other causes.

5.2 Limitations and Suggestions of Research

This research has some limitations for the subsequent author; the sample in this research is limited to certain Regency and City located in West Sumatra Province. This case cause research only can be applied to Regency and City in West Sumatra, so that it cannot be generalized to all Regency and City in Indonesia. So it is suggested to be able to compare several provinces in Indonesia to be researched, in order to get more samples and more accurate results.

And then the research takes only two independent variables; they are regional tax and regional retribution, because of this the results of this research has not

been able to explain all the variables that influence the regional financial independence. This is intended to be able to compare whether the results of this research apply to Regency and City outside the West Sumatra Province, and use more of variables independent in research. Last the research is only conducted for three years period from 2014 until 2016 because of limited access to data acquisition. For the further author suggested use of more complete data and the longer period of time of research, so as to be able to be generalized on the results of the research, while still paying attention to development Regency and City in West Sumatera Province.

